GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2136
ANSWERED ON:04.08.2000
REVENUE FROM TAXES ON SERVICE SECTOR
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Will the Minister of FINANCE be pleased to state:

(a) the details of collection of revenue from taxes on service sector during each of the last three years;

(b) whether the collection from service tax has been quite meagre against the potential revenue;

(c) if so, the reasons therefor; and

(d) the remedial measures likely to be taken in this regard?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)
(a): The revenue collected from service tax during the previous three financial years are given below:

1997-98	-	Rs. 1586 crore
1998-99	-	Rs. 1957 crore
1999-2000	-	Rs. 2125 crore (provisional)

(b): Service tax has been imposed only on a few services and not on the entire service sector. In the circumstances, the revenue collection is not meagre in itself.

(c): Does not arise, in view of answer to (b) above.

(d) The Government have set up an Expert Group on ServiceTax with a view to examine the various aspects connected with the field of taxing the services and to make recommendations in this regard. On receipt of the recommendations of the Expert Group, the Government will decide on the measures to be taken.